

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF DRINKING WATER
MARCH 15, 2022**

ITEM 7

SUBJECT

UPDATE ON CALIFORNIA WATER ARREARAGE PAYMENT PROGRAM
(PROGRAM)

DISCUSSION

The American Rescue Plan Act of 2021 provided funding to the State to address revenue losses as a result of the pandemic. The Fiscal Year 2021-22 State Budget Act (Senate Bill 129) appropriated \$985 million from the Coronavirus Fiscal Recovery Fund to the State Water Resources Control Board (State Water Board) for payments to community water systems to forgive residential and commercial customer arrearages that accrued during the COVID-19 pandemic bill relief period of March 4, 2020 through June 15, 2021 (Water Arrearage Program). The funds remaining after implementation of the Water Arrearage Program were appropriated for payments to wastewater treatment providers, including local government entities that are designated as the billing entity for a wastewater treatment provider, to forgive residential and commercial customer arrearages that accrued during the COVID-19 pandemic bill relief period of March 4, 2020 through June 15, 2021 (Wastewater Arrearage Program). The Wastewater Arrearage Program currently is ongoing.

The Water Arrearage Program opened the application to community water systems on October 5, 2021. Applications were accepted until December 6, 2021. The Program Guidelines allowed for late applications up to January 15, 2022. The Division of Drinking Water received and reviewed 667 applications for funding. The Division of Financial Assistance issued \$301 million in arrearage funding to 582 community water systems. The difference between the number of applications and the issued payments is due to aggregating applications.

The Reporting Requirement Phase opened January 31, 2022 in the Electronic Annual Report portal. All community water systems that receive funds must complete the Reporting Requirement after the credits to customer bills are applied. Community water systems must report the total amount credited, the number of accounts credited, the number of customers enrolled in a payment plan and the number of customers that did not enroll in a payment plan. Community water systems also must report the amount used for administration of the Water Arrearage Program.

The Division of Drinking Water will give the State Water Board an update on the Water Arrearage Program status.

POLICY ISSUE

None

FISCAL IMPACT

Funds were appropriated in the FY 2021-22 Budget for the payments to water systems. Funds were also authorized for staff costs to administer the Water Arrearage Program.

REGIONAL BOARD IMPACT

No Regional Board impact.

STAFF RECOMMENDATION

No relation to other policies.